

STATE CONTROLLER'S OFFICE
 PERSONNEL/PAYROLL SERVICES DIVISION
 P.O. Box 942850
 Sacramento, CA 94250-5878

DATE: June 27, 2003

PERSONNEL LETTER # 03-007
 CIVIL SERVICE ONLY

TO: All Agencies in the Uniform State Payroll System

FROM: JOHN R. HARRIGAN, Chief
 Personnel/Payroll Services Division

RE: EMPLOYEE RETIREMENT CHANGE

Pursuant to collective bargaining agreements, the employee retirement contribution for rank and file as well as non-represented employees will change effective July 1, 2003.

The employee retirement contribution for all CalPERS First Tier members and STRS members was reduced by five percent. The bargaining unit contracts for rank and file employees and decisions affecting non-represented employees require that the employee retirement contribution be restored to the rate in effect on August 30, 2001. Therefore, the employee retirement contribution for the aforementioned employees will be restored to the rate in effect at that time.

While the employee retirement rate will increase, the retirement account codes will remain the same or change to the codes used on August 30, 2001 for most employees. Below is a chart identifying the affected retirement account codes, new retirement account codes (if applicable), new employee rate, and new exclusion amount (if applicable).

Current Account	New Account Code	New Rate Code
TB	T	8%
TC	TA	8%
05	40	6%
06	42	6%
07	40	6%
09	42	6%
11	10	6%
24	45	5%
25	45	5%
29	46	6%
31	31	8%
32	32	8%
33	12	6%
34	34	6% (R08 and E08)
34	5A	6% (See note below)
36	36	6% (R08 and E08)
36	5B	6% (See note below)
37	37	8%
38	38	8%
39	39	8%
43	43	5%
50	50	8%
55	55	8%

56	56	8%
57	57	8%
58	58	8%
59	19	6%
6A	19	6%
6B	30	6%
6C	10	6%
6D	19	6%
6E	30	6%
6F	19	6%
6G	30	6%
6H	10	6%
65	30	6%
67	19	6%
68	30	6%
69	30	6%
70	19	6%
73	48	6%
90	49	5%
93	46	6%
97	48	6%
99	49	5%

NOTE: Excluded employees aligned with Unit 08 will be moved from retirement account codes 34 to 5A and 36 to 5B. The exclusion amount will change from \$863 in excess of 6% per month to \$513 in excess 6% per month.

PROCESSING

The Controller's Office will process an Employment History mass update on June 28, 2003 to post 505 transactions. Turnaround PARS for this mass update will be generated after the July 1, 2003 General Salary Increase is posted.

Employees with appointment or separation expiration dates prior to July 1, 2003, will not be included in the mass update. Therefore, agencies must determine if the employees are to be re-appointed or separated and key enter the appropriate transaction. If re-appointed, key enter a 505 transaction effective July 1, 2003 that reflects the correct account code per the above chart.

The Controller's Office will post 505 transactions to the Employment History Data Base based on transactions processed prior to the June 28 mass update. If an employee's most current transaction reflects an effective date equal to or less than July 1, 2003, the 505 transaction will be posted by the mass update process. If an employee's most current transaction is effective after July 1, 2003, the 505 transaction will be posted by the Controller's Office beginning June 30, 2003. Also, subsequent transactions will be corrected as needed.

Agencies are responsible for updating the Employment History Data Base with the correct retirement account code information for transactions keyed after the June 28 mass update. Failure to do so could result in an incorrect withholding of employee retirement contributions.

EMPLOYMENT HISTORY ON-LINE SYSTEM AVAILABILITY

Due to the mass update, the Employment History On-line system may not be available on Saturday, June 28, 2003, until approximately 9:00 a.m. If problems are encountered with the update, the on-line system may not be available until later.

CONTACTS

If you have any questions concerning this letter, please contact Lynn Black at (916) 327-3926 or by email at lblack@sco.ca.gov. For PAR documentation, contact the Personnel Liaison Unit at (916) 322-6500. Revisions to the Payroll Procedures Manual and the Personnel Action Manual are forthcoming.

JRH:LB/PMAB